



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Planning Commission

**SUBJECT: RECOMMENDATION ON THE
PROPOSED 2007-2011 CAPITAL
IMPROVEMENT PROGRAM**

DATE: May 5, 2006

Approved: /s/

Date: 05/10/06

RECOMMENDATION

The Planning Commission (5-0-1, Commissioner Platten absent) recommends that the City Council adopt the Proposed 2007-2011 Capital Improvement Program (CIP).

OUTCOME

Adoption of the Proposed 2007-2011 Capital Improvement Program (CIP) will provide continued funding for programs and policies that the City Council has established as priorities. The CIP will guide the City in the planning, scheduling, and budgeting of capital improvement projects during the next five-year period.

BACKGROUND

The San Jose City Charter prescribes that the Planning Commission consider the City's Proposed Capital Improvement Program (CIP) and submit its findings and recommendations to the City Council at least ten (10) days prior to a public hearing of the City Council on the CIP. Since the CIP implements the goals and policies of the General Plan, a determination of consistency with the *San Jose 2020 General Plan* is an important criterion in the Commission's review of the document.

ANALYSIS

On May 3, 2006, the Planning Commission conducted its annual study session for review of the City's Proposed 2007-2011 Capital Improvement Program (CIP). The study session included a presentation by staff from the City Manager's Budget Office. Active Commission discussion occurred with representatives from each City Department.

Following the study session, the Commission conducted a public hearing regarding their comments on the proposed CIP, which are being forwarded to the Council for their consideration. There were no public comments during the hearing.

The Planning Commission comments on the Proposed 2007-2011 Capital Improvement Program are as follows:

- A significant portion of the Planning Commission's questions and discussion focused on clarification of the various forms of revenue collected by the City. Members of the Commission recommended that staff consider opportunities to increase revenue or to identify alternative means to finance capital projects, including review of the City's processes for sale of surplus City-owned property, strategic use of the City's ability to require frontage improvement and related reimbursements during the development process, and reassessment of the development impact fees collected to offset traffic impacts. Staff responded that they would review these processes.
- Members of the Commission acknowledged that operations and maintenance costs, particularly for parks and libraries, continue to be a concern and asked staff what means are taken to reduce such costs. Staff discussed several strategies including specific project design measures used in parks projects to reduce future maintenance costs.
- As part of the discussion on parks maintenance, the Commission expressed concern over the adequacy of the current fee level in the City's Parklands Dedication Ordinance. A more complete recommendation will be forthcoming after the joint Planning Commission and Parks Commission study session on May 24, 2006.
- Members of the Commission asked for clarification on the rescheduling of the Airport construction project and the possible impact of project delays on the number of passengers attracted to the Airport. Staff responded that the proposed phasing of the project has been scheduled to meet projected passenger demand and the ability of commercial airlines to finance the project.
- Related to transportation projects, the Commission supported the CIP proposal to conduct a transportation needs master plan to provide policy direction on transportation priorities and funding enhancement options towards addressing the deteriorating condition of the City's transportation infrastructure. In particular, the Commission recommends exploring strategies to increase current investments in transportation projects as a means of reducing higher future costs.
- The Commission closed their discussion by commending City staff for the high quality of the proposed CIP, making specific reference to the capital budgeting award received by staff in 2006 from the California Society of Municipal Finance Officers.

Conclusion

Based on information contained in the Proposed 2007-2011 Capital Improvement Program and shared at the study session, the Planning Commission finds that the CIP is consistent with the *San Jose 2020 General Plan*. The Planning Commission recommends that the City Council adopt the Proposed 2007-2011 Capital Improvement Program.

ALTERNATIVES

Not applicable.

PUBLIC OUTREACH

The Planning Commission CIP study session was noticed as a public meeting. However, no citizens chose to attend. Further, the Commission's formal recommendation to the City Council on the CIP occurred as a public hearing item on the agenda of the Planning Commission's evening session on May 3, 2006. No citizens provided testimony on this item.

COORDINATION

The preparation of this report was coordinated with the Budget Office and City Attorney's Office.

COST IMPLICATIONS

Not applicable.

CEQA

Not applicable.

/s/

JOSEPH HORWEDEL, SECRETARY
Planning Commission